The DLA Commercial Activities Program

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Chief, Competitive Sourcing Division
DLA J-374

Conference
2004

June 8, 200

Agenda

- OMB Rewrites the Book on Public-Private Competition
- New Roles & Responsibilities
- The DLA Program
  - How Does it Work
  - How is it Doing
- Practices for a Good Program
- The Road Ahead

Revised OMB Circular A-76

- **Revision Effective May 29, 2003**
  - **Applies to all Competitions Except Those With Solicitations Issued Prior to March 29, 2003**
    - **OMB approved deviation to allow DDCT & DDAA competitions to continue under old Circular**
- **DoD and DLA CSO Appointed March 29, 2003**
- **Congressional Report Mandated a 45 Day Wait -- *26 April 2004***

Revised OMB Circular A-76

- **Detailed Preliminary Planning**
- **Shortened Time Limits**
  - **Standard Competitions 12 months/18 w/waiver**
  - **Streamlined Competition 90 days/135 w/ waiver**
- **Direct Conversions Eliminated**
- **Eliminated Requirement for Independent Review**

Revised OMB Circular A-76

- **Evaluation of Offers**
  - **Most Efficient Organization (MEO) competes with private offerors & public tenders on same footing**
  - **Cost Technical Tradeoff eliminated (except IT)**
- **Contest Rules**

Revised OMB Circular A-76 & DOD's Implementation

- **Streamlined Competitions**
  - **May be used for 65 or less FTEs**
    - **10 USC 2461 ➔ limits DoD to 50 or less FTEs**
  - **Market surveys allowed in lieu of solicitations**
    - **FY 2004 DoD Appropriations Act, Section 8014 ➔ Most Efficient Organization required for DoD streamlined competitions if 10 or more FTEs**
  - **No party can contest any aspect of a competition**
  - **10% Cost differential removed**
    - **FY 2004 DoD Appropriations Act, Section 8014 ➔ adds cost differential back in for DoD competitions with 10 or more FTEs**

Revised OMB Circular A-76

- **FY 2004 National Defense Authorization Act, Section 337**
  - **Authorizes "pilot" program to designate eight high performing organizations (HPOs) within DoD**
    - **DLA to Get 1**
  - **Selected HPOs would be exempt from competition for a 5-year period after implementation**

Public Announcements

- **Public Announcement at Start Date Will Contain:**
  - **-Agency/RA/Agency Component**
  - **-Type of Competition**
  - **-Activity Being Competed**
  - **-Current Service Provider(s)**
  - **-Location(s)**
  - **-Name of DLA CSO & ATO**
  - **-Number of Government Personnel Performing Activity**
  - **-Projected Competition End Date**

Revised OMB Circular A-76

- **Appoint Agency Competitive Sourcing Officials**
  - **Department of Defense CSO → DUSD(I&E)**
  - **DLA CSO → DLA Director**

- **On Standard Competitions, DLA CSO Appoints:**
  - **Agency Tender Official (ATO)**
  - **Contracting Officer (KO) Performance Work Statement (PWS) Team Leader**
  - **Human Resource Advisor (HRA)**
  - **Source Selection Authority (SSA)**

Roles and Responsibilities

- **CCSO - Director, DLA**
- **Exec Director, J37 – A-76 Program Responsibilities**

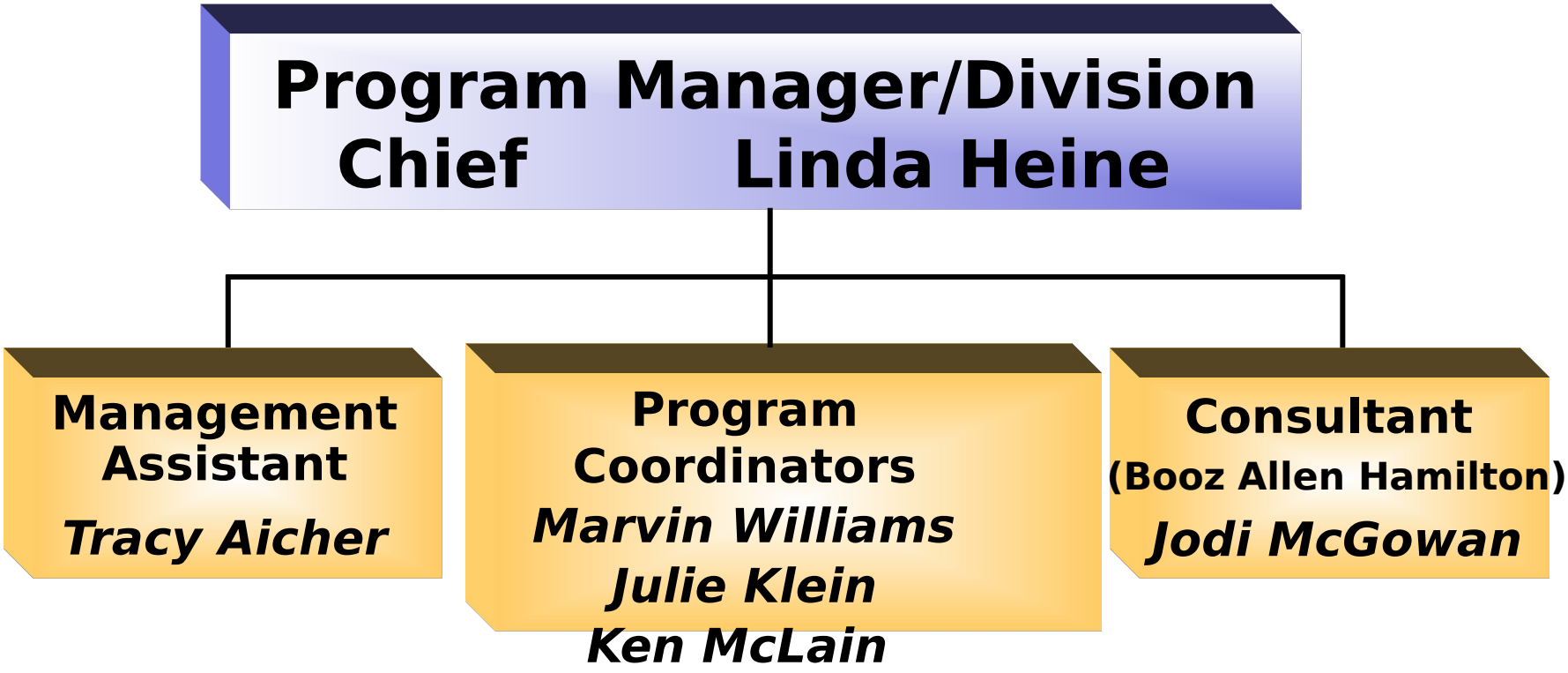
- **A-76 Standard Competition Contracting Office – DSCC-PR**
  - **TBD for Streamlined Competitions**
- **Commercial Activities Program Managers:**
  - **DDC – Ms Twila Gonzales**
  - **DRMS – Mr. Brian Moravek**

DLA Competitive Sourcing Organization (cont'd)

- **Independent Review Official – J-308,**
- **Administrative Appeal Authority – Ms Susan Chaddick, DG**
- **Source Selection Authority – J3****
- **Source Selection Advisory Council Chair-J-37****

**** **For J3 competitions**

Competitive Sourcing
J-374 Team Members



Mission

J-374 Is Responsible For Program Management Oversight Of The Defense Logistics Agency's Commercial Activities Strategic & Competitive Sourcing Program

Competitive Sourcing, J-374 Responsibilities

A-76 Core Functions

- A-76 Strategy
- Policy & Guidance
- FAIR Inventory
- A-76 POM
- CAMIS: Admin & Guidance
- Study Performance Metrics

A-76 Support Functions

- Management Controls
- Web-Site Maintenance
- Requirements & Assessments

Competitive Sourcing, J-374 Responsibilities

- **Strategic & Competitive Sourcing Program Management Oversight Under OMB Circular A-76**
  - **Agency Policy / Guidebook / Internet Library & Directory**
  - **Agency A-76 Advisor**
- **Agency Sourcing Plan**
  - **A-76 & Strategic Sourcing POM**
- **Study Support**
  - **Principle Advisor to SSAC Chair**
  - **Plan of Action & Milestones (POA&M)**
- **Commercial Activities Management Information System**
  - **A-76 & Strategic Sourcing Savings**
- **Liaison with OMB, OSD, Services, & Field Activities**

A-76 Program Status

We Are Doing Our Share

Completed Studies: 13
- 6 In-house
-

Competed FTEs: 4487

In Process Studies: 6
-

Future Announcements Through FY 2009:
- 4

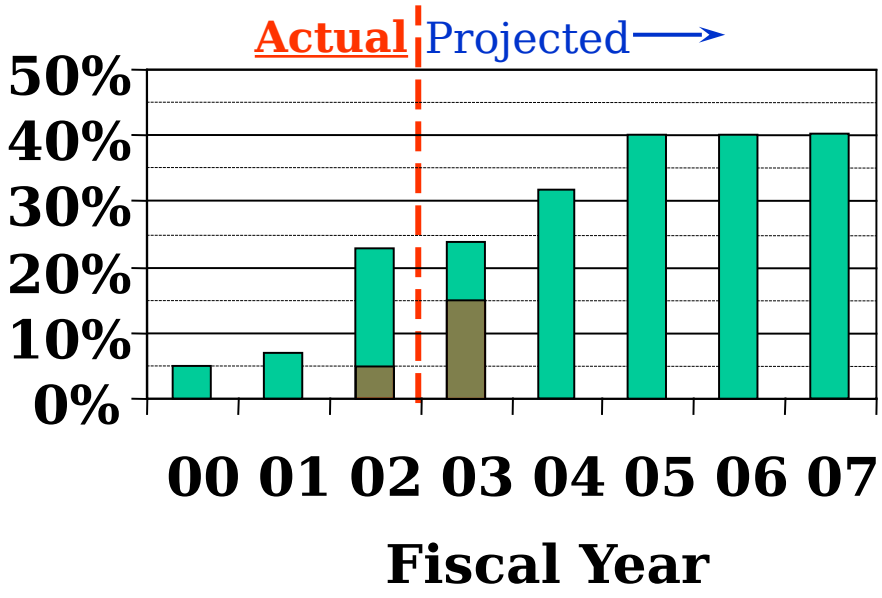
Net Savings FY 04 - 09:
- $671 M

No Overturned Decisions

A-76 COMPETITIVE SOURCING

COMPLIANCE WITH DEFENSE PLANNING GUIDANCE & MEETING OMB GOALS

% FAIR Act 2000 Positions Study Completed (Cumulative)



- **FAIR Act 2000 Baseline: 18,613**
- **OMB Cumulative Goals**
  - FY 02 → 5 %
  - FY 03 → 15 %
- **% Completed Cumulative**

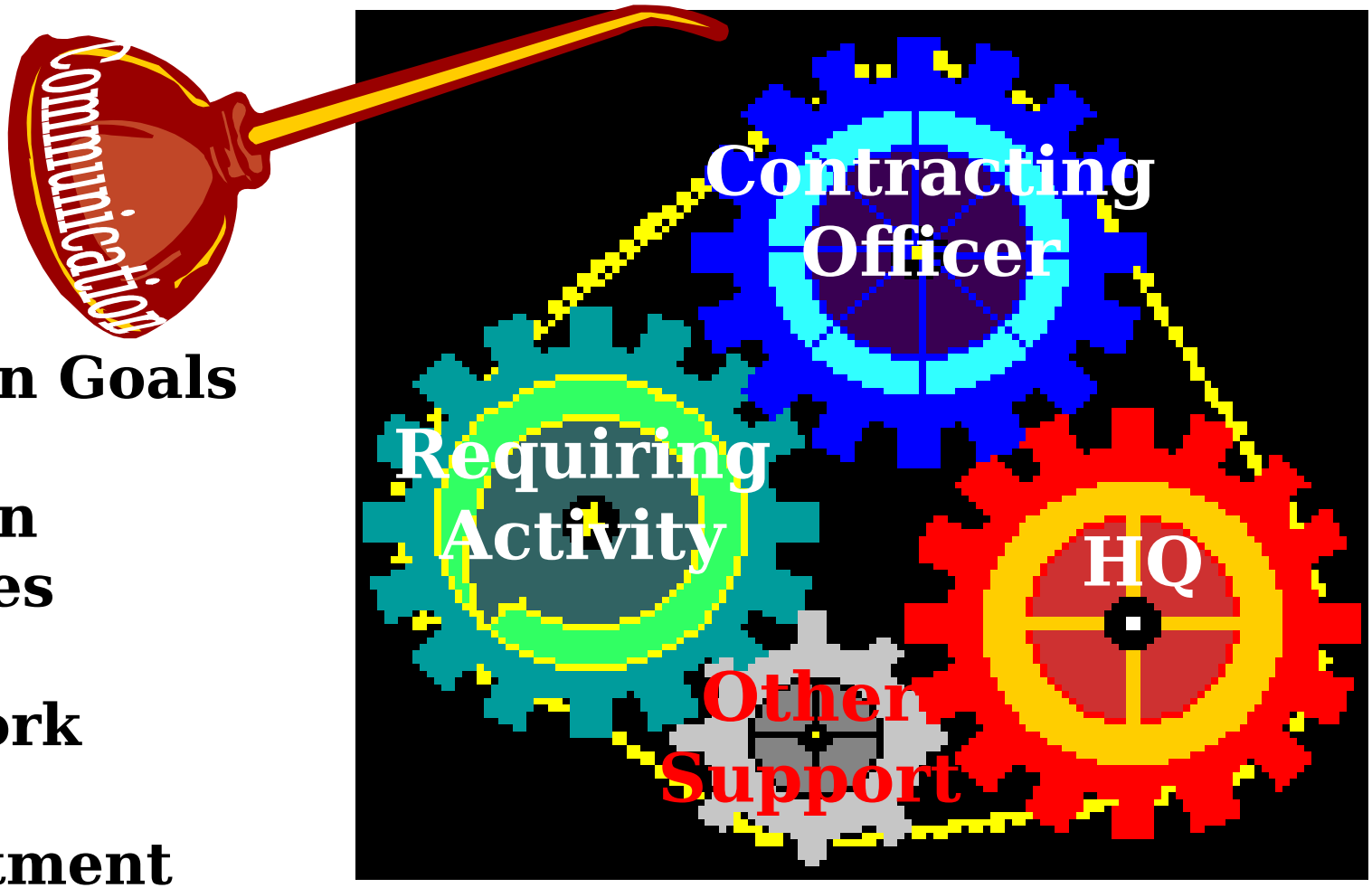
FY	00	01	02	03	04	05	06	07
%	5	7	23	24	32	40	40	40

- **Additional Positions to be Announced for Study in FY 07 thru 09:**
  - **Inventory Control Points**
  - **HQ DLA**

Tools

- **POA&M**
- **Templates**
- **VTC**
- **Performance Management “Dashboards”**
- **Guidebook**
- **Web site http://www.dla.mil/j-8/A-76/A-76Main.html**
- **Training**

An Effective Program



Common Goals

Common Priorities

Teamwork

Commitment

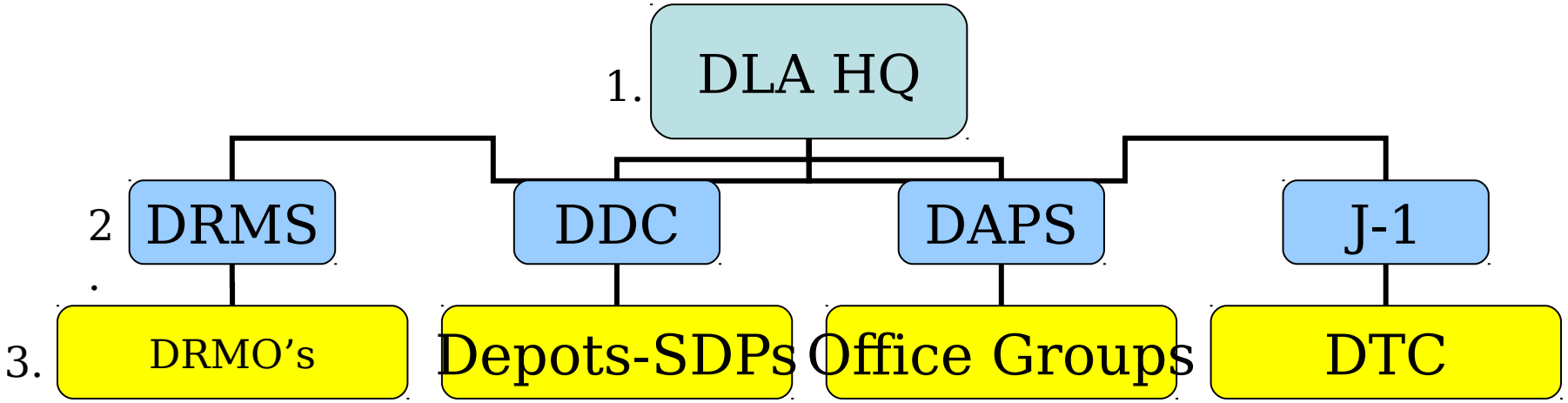
Signs of a Good Program

- On schedule – & all players know what the schedule is
- Everyone knows his/her role
- Workforce is an integral part of the process
- Communication is two-way & continual
- Affected people are informed & assisted
- Decisions are not overturned
- Mission continues unhampered – during & after

Keys to *Our* Success
Best Practices

- **Centralized Management**
- **Heavy Emphasis on Customer Role**
- **Legal Support**
- **Build on Lessons Learned**
- **Top Down Commitment**
- **Bottom Up Participation**

Centralized Management



1. **CSO, SSA, SSAC Chair, A-76 Program Office**
2. **Requiring Activities – Program Offices**

Taking Care of Our Customer

Our Role:

- Provide Commitment from the Top Down
- Provide Advance Notice
- Request Input & Participation

Customers' Role:

- Input to requirements development (PWS)
- Serve as evaluators (e.g., Source Selection Evaluation Board)

QUESTIONS?